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SIPDIS

USDOL WASHDC FOR ROBERT YOUNG

SENSITIVE BUT UNCLASSIFIED

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SUBJECT: Nigeria: NLC Plans Protests Against Casualization in the Banking Industry

11. (U) On February 26, Nigeria Labor Congress (NLC) President Adams Oshiomhole announced that the NLC, the Congress of Free Trade Unions (CFTU), and several civil society groups have planned demonstrations in Lagos beginning March 4, 2004 to protest casualization (use of contract labor) in the banking industry. NLC Assistant General Secretary Denja Yakub told PolSpec that the decision to mobilize its members follows a series of failed negotiations between the National Union of Banks, Insurance and Financial Institutions Employees (NUBIFIE) and industry employers. NUBIFIE, one of the NLC's 29 unions, has identified fifty-six Nigerian banks that employ most of their non-professional staff through contracts. Since Nigerian labor law prohibits contract workers from joining unions and gives employers the option to extend benefits or not, many companies operating in Nigeria employ contract workers to reduce labor costs. Nigerian labor law permits employers to hire workers through private contractors if length of employment does not exceed 90 days. However, the NLC argues that the practice is widely abused since most contract employees remain with their companies for years by simply renewing their work agreements every three months.

12. (U) Mazi Okechukwu, President of the Chartered Institute of Bankers of Nigeria (CIBN), an umbrella organization for all registered banks in Nigeria, told reporters that banks "will seek all avenues, including legal action, to prevent the NLC from disrupting banks operations." While several banks have vowed to seek judicial redress to prevent the planned demonstrations, the NLC defends its right to organize such events in order to uphold workers rights and promote international standards pertaining to the freedom of association. Labor leaders are concerned, however, that the Federal Court set a precedent in January 2004 when it agreed to hear a GON claim that the NLC's plans to strike against a proposed fuel tax were illegal. Although the Court eventually ruled in favor of the NLC, labor leaders were ordered not to act until the GON had exhausted its appeals. The NLC viewed the injunction as an infringement on its right to organize, since it effectively disrupted labor's mobilization efforts. The NLC believes that any recognition or decision by the courts to hear a case involving planned protests against the banking industry would also constitute a denial of labor's right to organize.

13. (U) Despite escalating tensions between industry workers and employers, Okechukwu said the CIBN plans to reach out to the NLC to seek a peaceful resolution to the dispute. In what appeared a desperate move to stave off the action, Yakub said several banks have contacted the NLC, either to deny accusations that they have failed to observe Nigerian labor laws pertaining to contract labor or to express their intention to comply with existing labor legislation. Publicly, the NLC contends that the protest will begin as planned unless all banks "accept unconditionally the existing laws regulating the operations of workers in the workplace," which includes the freedom of association. However, Yakub told PolSpec the NLC has agreed to meet with industry representatives this week. He said the NLC would likely agree to suspend protests if banks show a commitment to trade unionism and are willing to "enter into agreement on the appropriate time frame within which to regulate the appointment of casual workers and unionize the organization."

14. (U) While the NLC seeks to strengthen its credibility among its constituents, labor leaders hope their battle with the banks will provide momentum as they look to broaden the issue of casualization. Concerns about the use of contract work are slowly moving into the national spotlight and, despite growing tension between Nigeria's three labor consortia, all unions have a common interest in forcing companies to employ only full-time permanent staff. As they fight the battle over casualization, labor leaders are also stressing that companies must accept greater responsibility for ensuring that their contractors maintain legal and organizational standards in the treatment of their employees.

15. (SBU) Comment: NLC officials have raised concerns regarding the role of U.S. organizations operating in

Nigeria, including the U.S. Consulate, in policing its contractors. The Consulate's recently severed relationship with ServTrust highlights challenges in using contract labor. Forty contract employees were displaced on January 31, 2004, when the Consulate decided to reduce staff by terminating its contract with their employer, ServTrust. Although the decision was made more than one month before the contract was officially terminated, ServTrust failed to warn its employees, which left them unprepared to subsist as they look for new jobs. ServTrust employees and NLC contacts recently raised the issue with Laboff complaining that although the majority of the contracted employees had worked at the Consulate for many years, they had been paid substantially less than Consulate FSNs with similar job descriptions, and none of the contract workers received severance pay or benefits from ServTrust upon their dismissal. Former ServTrust employees argue that the Consulate failed in a duty to ensure that the workers were treated fairly by the contractor, who they say paid salaries late and refused to grant sick leave. End comment.

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